GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1055
ANSWERED ON:23.11.2001
FINANCIAL HEALTH OF IFCI
VILAS BABURAO MUTTEMWAR

Will the Minister of FINANCE be pleased to state:

(a) whether the Industrial Finance Corporation of India have negotiated a one timesettlement with some of the companies so as to recover a part of their outstanding amount against them;

(b) if so, the names of the companies with whom this settlement has been arrived at and the amount recovered or likely to be recovered from each together with the total outstanding against each;

(c) whether Industrial Finance Corporation of India have also formulated some suchrestructuring plan in respect of the companies indebted to them and if so, the total amount involved in these companies; and

(d) the other concrete steps have been taken/being taken to improve the financial health of IFCI?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI BALASAHEB VIKHE PATIL

(a) & (b) During the year ended 31.3.2001, one time settlement/negotiated settlements have been agreed to in 175 cases involving an amount of Rs. 994.6 crore. However, in accordance with the practices and usages customary amongst banks and in conformity with the provisions of statutes governing public sector banks and financial institutions as also the provisions of Public Financial Institutions (Obligation as to Fidelity and Secrecy) Act, 1983, details relating to individual constituents cannot be divulged.

(c) Restructuring programmes have been formulated in 52 cases involving an amount of Rs. 1,414.4 crore (which included 27 NPAs with total outstanding assistance of Rs. 490.0 crore)

(d) Steps taken/being taken to improve financial health of IFCI:

? A right issue in December, 1999 which mobilized Rs. 286.40 crore ? Capital infusion of Rs. 400 crore by Govt. on 30.10.2001 ? Further capital of Rs. 600 crore is expected to be contributed by major shareholders i.e. IDBI, LIC & SBI. ? Decision to restrict financial assistance to a single borrower to a maximum of Rs. 100 crore ? To strengthen recovery management. ? To reduce the share of long term loans in favour of short term funds. To increase fee-based income.